

## **By-Laws of Mountainbrook Civic Association**

### **ARTICLE I - NAME**

Section 1. The name of the Corporation is Mountainbrook Civic Association, herein-after referred to as "Association".

Section 2. Location. The principal office of the corporation shall be located in Mecklenburg County, North Carolina, or as determined by the Association.

### **ARTICLE II - MEMBERSHIP**

Section 1. Each household, consisting of its adult members, located in Mountainbrook subdivisions number 1-6 in the city of Charlotte, Mecklenburg County, State of North Carolina, shall constitute a member of the Association upon payment of dues as hereinafter provided. Each members of the Association in good standing is referred to as a "Member." Reference is made to Article IX regarding good standing status.

Section 2. Rental Homes. Renters of homes that qualify for membership in the Association may join the Association in a non-voting capacity upon the payment of dues as may be set by the Board of Directors from time to time in accordance with Article IX. Renters may be designated as proxies by the Member, provided that the Board has determined that either the Renter or the Member has paid dues for the current year.

### **ARTICLE III - MEETINGS OF THE MEMBERS AND VOTING RIGHTS**

Section 1. Annual Meeting. The regular annual meeting of the membership shall be held in January of each year at a time and place designated by the Board of Directors.

Section 2. Special Meeting. Special meetings of the membership may be called by the President or a majority of the Board of Directors, or upon written request of ten (10%) percent of all Members who are entitled to vote.

Section 3. Place of Meetings. All meetings of the Members shall be held at such a place as shall be determined by the Board of Directors.

Section 4: Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the records of the Association, or supplied by such Member to the Association for the purpose of notice. Notice of any meeting can also be given by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by each Member entitled to vote at the meeting. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Bylaws, any budget changes, and any proposal to remove a director or officer. If an annual, regular, or special meeting of Members is adjourned to a different time, or place, notice need not be given of the new time, or place, if the new time or place is announced at the meeting before adjournment. However, if a new record date for the adjourned meeting is or must be fixed, notice of the adjourned meeting shall be given under this section to the members of record entitled to vote at the meeting as of the new record date.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten (10%) percent of the eligible Members shall constitute a quorum for any action. Once a member is represented for any purpose at a meeting, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or must be set for that adjourned meeting. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be: 1) adjourned to a later date with Notice as required in Section 4 of this

Article; or 2) adjourned to a later time that same date with no Notice as required in Section 4 of this Article, by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum.

Section 6. Substitute Annual Meeting. If an annual meeting is not held within the timeframe specified in Section 1 of this Article, the Board can set a date for a substitute annual meeting at which all matters can be addressed which could have been addressed at any regular annual meeting. The Board can set any meeting date that allows for notice as required by Section 4 of this Article and which fulfils the requirement that the Association hold a meeting of the association at least once each calendar year.

Section 7. Voting. The voting rights of the Membership shall be appurtenant to the ownership of Lots. When more than one (1) person holds an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with any Lot. The vote of a majority of the votes appurtenant to the Lots represented in person or by proxy at a meeting at which a quorum is present shall be necessary for adoption of any matter voted upon by the Members unless a different proportion is required by these Bylaws or by law.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary at least twenty-four (24) hours in advance of any meeting. A Lot owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association, or by attendance at such meeting proxy may be revoked. A proxy is void if it is not signed and dated with property address included. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term, and shall otherwise automatically cease upon conveyance by the Member of his Lot to a new owner. If a proxy identifies a specific meeting, the proxy shall terminate after that intended meeting.

Section 9. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the waiver of notice by him of the time and place thereof except where a Member attends a meeting for the Members, no notice shall be required and any business may be transacted at such meeting.

Section 10. Action Without Meeting. Any action which may be taken at any annual, regular, or special meeting of the Members may be taken without a meeting by written consent or written ballot. Action by written consent shall be evidenced by one or more written consents describing the action taken, signed before or after the taking of such action at all Members entitled to vote thereon and filed with the Secretary of the Association to be kept in the Association's minute book. Action by written consent is not effective unless agreed upon by one hundred percent (100%) of the Members. Action may be taken by written ballot if the Association delivers a written ballot to every Member entitled to vote on the matter. All solicitations for votes by written ballot shall indicate the time by which a ballot shall be received by the association in order to be counted. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval y written ballot shall be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter if a meeting were held. Written ballots and written consents shall not be revocable.

#### **ARTICLE IV - BOARD OF DIRECTORS**

Section 1. Number. The business and affairs of the Association shall be managed by a Board of Directors comprised not less than three (3) persons and not more than twelve (12) adult persons. The number of Directors may be set from time to time by action of the Board of Directors. Any vacancy on the Board may be filled by a vote of the Board of Directors for a term that shall not exceed the next Annual

Meeting of the Members. Any action to decrease the number of Directors shall not have the effect of shortening the term of any incumbent Director. Other than as provided above, the number of Directors may be increased or decreased from time to time only by amendment to these Bylaws.

Section 2. Qualifications. Directors shall be Members of the Association in good standing. To be eligible for election or appointment as Directors, Members must be in compliance with the requirements of these Bylaws.

Section 3. Election and Term of Office. At the annual meeting, the Members shall elect Directors for a term of two (2) years from nominees selected by a Nominating Committee of the Board of Directors or nominations made from the floor at the meeting. The terms of the Board of Directors of the Association shall be two (2) years in length and staggered. Directors shall be elected at the annual meeting of the Members. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Directors may serve successive terms without limitation.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by the majority vote of the Members of which a quorum is present, either in person or by proxy, at a meeting duly called for that purpose. Any Director may also be removed by the Board for missing three (3) consecutive Board meetings. Upon missing three (3) consecutive Board meetings, any Director may be removed when a majority of the Directors then in office vote for the removal. Prior to such removal, it must be shown that said Director had proper notice of Board meetings that he or she missed. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

## **ARTICLE V - MEETINGS OF THE BOARD OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly at a minimum, without notice, at such time and place and hour as may be fixed from time to time by the resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be rescheduled at the same time or on the next day which is not a legal holiday. All meetings of the Board of Directors shall be open to any member of the Association who wishes to attend.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Notice can be sent by any usual means of communication, including via U.S. Mail, e-mail, or facsimile.

Section 3. Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast fifty-one (51%) percent of the votes on the Board are present at the beginning of the meeting.

Section 4. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. Such written consent may be made by electronic means.

Section 5. Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

## **ARTICLE VI - POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have power to:

- a. adopt and publish Rules and Regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- b. suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of dues assessed by the Association;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws;
- d. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- e. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- f. employ attorneys to represent the Association when deemed necessary;
- g. appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Such powers may not be delegated to other persons or to a managing agent.

Section 2. Duties. It shall be the duty of the Board of Directors, without limitation, to:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members entitled to at least ten (10%) of the votes appurtenant to the Lots;
- b. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- c. procure and maintain adequate liability insurance covering the Association and the Board of Directors.
- d. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- e. cause the Common Area to be maintained.

## **ARTICLE VII – OFFICERS AND THEIR DUTIES**

Section 1. Officers. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first regular or special meeting of the Board of Directors following the annual meeting of the Members. The officers so elected by the Board of Directors shall serve both as officers of the Board of Directors and in like capacity in the management of the Association's business.

Section 3 Term. Each officer position shall be for a period of one-year of the two (2) year Director term. The officer shall take office immediately upon election, and shall hold office until his death, resignation, retirement, removal, disqualification, or until his successor is elected and qualified. Officers may serve successive terms without limitation.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The officers shall be President, Vice-President, Secretary, and Treasurer. Any offices may be held by the same person, except for the offices of President and Secretary.

Section 8. Compensation. The officers of the Association shall receive no compensation acting as such. Officers shall be reimbursed for actual expenses incurred on behalf of the Association.

Section 9. Duties. The duties of the officers are as follows:

a) President. The President shall be the principal executive officer of the Association and subject to the direction of the Board, shall supervise and work together with the Board with regards to the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments by undertaking these responsibilities personally or delegating these duties to another officer.

b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board, including zoning and development issues that impact the Association.

c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board including joining in the execution of legal documents.

d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the board of Directors; keep a monthly accounting of the Association income and expenses to report to the board; sign all checks; sign all promissory notes (promissory notes also require the President's signature); keep proper books of account; cause any required annual taxes to be prepared by a certified public accountant; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy to each of the Members. Such duties may not be delegated to other persons unless assistant officers are appointed or elected.

## **ARTICLE VII - COMMITTEES**

Section 1. The President and/or Board of Directors may create such committees as they deem appropriate. Committees shall have such authority as the President and/or Board of Directors may designate. The duties of any committee may be delegated to one member of the Board of Directors.

Section 2. The standing committees of the Board are: Beautification, Directory/Membership, Newsletter, Safety, Social, Anne Heinig Park, Special Projects, and Welcome. The chairpersons of the standing committees shall be named by the President at the first regular or special meeting of the board following the annual meeting of the Board of Directors.

## **ARTICLE VIII - FISCAL YEAR**

Section 1. The Fiscal Year of the Association shall be from January 1 to December 31 of every year.

## **ARTICLE IX - DUES**



Section 1. Dues shall be in such amount as shall be determined by of Directors from time to time. Dues notices shall be issued not later than February 1 and payable on or before May 1 for the then current calendar year.

Section 2. Payment of dues shall be a prerequisite to membership and eligibility to vote at the annual or any special meeting of the membership.

Section 3. To be a Member in good standing, dues for the current year must have been paid. For the avoidance of doubt, the non-payment of prior years dues shall not prevent a Member from regaining good standing status, provided that the dues for the current year are paid.

Section 4. Failure to pay dues on or before May 1 of the current year automatically terminates membership without notice other than these By-Laws unless is restored by subsequent payment of dues.

Section 5. Board of Directors may increase dues by not more than 10% from the previous year by a majority vote of the Board of Directors.

#### **ARTICLE X - EXPENDITURES**

Section 1. No expenditure or commitment for an expenditure of \$150.00 shall be made by any officer, Director or agent of Directors without authorization of the Board of Directors.

#### **ARTICLE XI - LIQUIDATION**

Section 1. Upon dissolution or liquidation of the Association, any assets of the Association shall be applied to such charitable uses the Board of Directors may approve.

#### **ARTICLE XII - AMENDMENT OF BY-LAWS**

Section 1. These By-Laws may be amended by a regular or special meeting of Members by a vote of a majority of the votes appurtenant to the Lots represented in person or by proxy at which a quorum is present.

#### **ARTICLE XIII – BOOKS AND RECORDS**

The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member upon request and copies may be purchased at a reasonable cost. All other books, records, and papers of the Association shall be subject to inspection by any Member by appointment and in accordance with North Carolina statutes.

#### **ARTICLE XIV – INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS**

The Association shall indemnify any Director or officer or former Director or officer of the association or any person who may have served at the request of the association as a Director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party by reason of being or having been such Director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The members of the Board of Directors shall not be liable to the Members for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association and the Members shall indemnify and hold harmless each of the members of the Board against all contractual liability to other arising out of contract made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association.

Mountainbrook Civic Association

By:  1/4/2011  
The signature box contains the text "048672057E5545F..." at the top, the signature "Michael S. Anderson" in the center, and a "REALTOR" logo on the right. Below the signature, it says "DocuSigned By: Mike Anderson".

Name: Mike Anderson

Title: President, Mountainbrook Civic Association

Amended January 4, 2011  
Adopted on February 8, 1976  
Amended on November 14, 1976  
Amended on November 8, 1987  
Amended January 14, 1996  
Amended January 11, 2004  
Amended August 18, 2007